

**MINUTES OF REGULAR MEETING - VIDEO
OPEN SESSION
December 20, 2012
ILLINOIS GAMING BOARD
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Thursday, December 20, 2012 a Regular Meeting - Video of the Illinois Gaming Board ("Board") was held on the 2nd floor at 110 W. Randolph at the JRTC Building, Chicago, Illinois. The Open Session on Video Gaming started at approximately 10:50 A.M. Present were Chairman Aaron Jaffe, Members Lee Gould, Michael Holewinski and Maribeth Vander Weele.

APPROVAL OF MINUTES – Open Session

Member Vander Weele moved that **the Board approve the open session minutes of its Regular Meeting of November 14, 2012.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

CHAIRMAN'S COMMENTS –

BOARD MEMBERS' COMMENTS –

ADMINISTRATOR'S REPORT –

Administrator Ostrowski gave a brief summary of the locations that are up and running.

BOARD POLICY ITEMS

- **Approval of 2013 Board Meeting Dates –**

Member Gould moved that **the Board approve the following dates for Regular Board Meetings for the 2013 Calendar year:**

**Wednesday, January 23, 2013 and Thursday, January 24, 2013
Wednesday, February 20, 2013 and Thursday, February 21, 2013
Tuesday, March 19, 2013 and Wednesday, March 20, 2013
Wednesday, April 17, 2013 and Thursday, April 18, 2013
Wednesday, May, 22, 2013 and Thursday, May 23, 2013
Wednesday, June 19, 2013 and Thursday, June 20, 2013
Wednesday, July 17, 2013 and Thursday, July 18, 2013
Wednesday, August 21, 2013 and Thursday, August 22, 2013
Wednesday, September 18, 2013 and Thursday, September 19, 2013
Wednesday, October 23, 2013 and Thursday, October 24, 2013
Wednesday, November 20, 2013 and Thursday, November 21, 2013
Wednesday, December 18, 2013 and Thursday, December 19, 2013**

Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

Caleb Melamed appeared before the Board and gave a brief summary of the Amendments to the Video Gaming Rules.

Sections 78 (a) (3) and (b) of the Video Gaming Act grant to the Board both regular and emergency rulemaking authority regarding the Video Gaming Act. At the December 20, 2012 open meeting of the Illinois Gaming Board, the Board's legal staff will submit proposals to amend the Board's rules on video gaming (11 Ill. Admin. Code 1800) as follows:

Applicant may not reapply for a license for a one-year period following denial:

The proposed rulemaking amends Section 1800.560 ("Issuance of License") to prohibit an applicant who has been denied a license from reapplying for one year following the date of denial, unless granted leave to reapply by the Board.

Service, repair, and maintenance of video gaming terminals ("VGTs") shall be performed only by licensed technicians and licensed terminal handlers:

The duties of licensed technicians and licensed terminal handlers with respect to the service, repair, and maintenance of VGTs are currently set forth in Section 1800.260. Nowhere in the video gaming rules is there an explicit requirement, however, that only licensed technicians and licensed terminal handlers shall perform service, repair, and maintenance functions after the VGTs have been placed at licensed locations. The proposed rulemaking adds such a requirement by inserting new language into Section 1800.230 ("Duties of Licensed Manufacturers"), Section 1800.240 ("Duties of Licensed Distributors"), and Section 1800.250 ("Duties of Licensed Video Terminal Operators"). For each amended section, the inserted language provides that a covered licensee "has an ongoing duty to....[s]ervice, maintain, or repair video gaming terminals at licensed video gaming locations only by licensed technicians and licensed terminal handlers."

Adoption of the new language will enhance security in connection with the service, maintenance, and repair of VGTs because of the existing requirement in Section 1800.260 e) that each licensed terminal handler and licensed technician shall "carry and display identification issued by the Board when working on video gaming terminals and associated video gaming equipment."

Replacement fee for identification badges:

The proposed rulemaking will amend Section 1800.260 ("Duties of Licensed Technicians and Licensed Terminal Handlers"), to provide a \$10 replacement fee for lost badges issued by the Board to licensed terminal handlers and licensed technicians and add a requirement that licensed technicians and licensed terminal handlers return their identification to the Board upon resignation or termination of employment. The new provision is modeled after analogous

language contained in Section 245 i) of the riverboat gambling rules [86 Ill. Admin. Code 3000.245 i)].

- **Amendments to the Video Gaming Rules – Sections 230, 240, 250, 260 and 560**

Member Holewinski moved that **the Board authorize staff to amend the Board's rules on video gaming, including Section 1800.230 regarding duties of licensed manufacturers, Section 1800.240 regarding duties of licensed distributors, Section 1800.250 regarding duties of licensed video terminal operators, Section 1800.260 regarding duties of licensed technicians and licensed terminal handlers, and Section 1800.560 regarding issuance of a license, by submitting proposals for First Notice Filing with the Secretary of State upon final review and approval by the Administrator.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

MANUFACTURER, DISTRIBUTORS AND SUPPLIERS LICENSEE ITEMS –

- **Happ IL Distribution, Inc. – Motion Clarification**

Based on staff's investigation, Member Vander Weele moved that **the Board renew the license of Happ IL Distribution, Inc. for a Distributor License, retroactively to August, 2012 for a term of one year, expiring in August, 2013.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

TERMINAL OPERATOR LICENSEE ITEMS –

- **Blue Bird Music, LLC – Terminal Operator's License**

Based on staff's investigation, Member Gould moved that **the Board deny the Terminal Operator License application of Blue Bird Music, LLC.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

TECHNICIAN & TERMINAL HANDLER LICENSEE ITEMS –

- **Technician and Terminal Handler Licenses – Approvals & Denials**

Based on staff's investigation, Member Holewinski moved that **the Board approve 15 applications for Technician Licenses and 88 applications for Terminal Handler Licenses. Further, I move that the Administrator issue a Notice of Denial to Mark Hillyer and Brian Begley.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

VIDEO GAMING LOCATION LICENSEE ITEMS –

- **Video Gaming Location Licenses – Approvals & Denials**

Based on staff's investigation, Member Vander Weele moved that **the Board approve 352 applications for Video Gaming Location Licenses. Further, I move**

that the Administrator issue a Notice of Denial to the following Video Gaming Location License Applicants:

Country Classic Auto, Inc. d/b/a The Other Bar;
Strawn Bar, Inc. d/b/a Strawn Bar;
Joann Quigley d/b/a Joe Jo's;
Dixon Lodge No. 727, Loyal Order of Moose;
J&MZ Corp. d/b/a Mikes Tavern;
B&J's Dixie Lanes, Inc. d/b/a B&J's Dixie Lanes;
Connie Slaton d/b/a Old Firehouse Inn;
Leo's Pizza, Inc. d/b/a Leo's Pizza;
DARTEAM, Inc. d/b/a Curve Inn;
CAA, Inc. d/b/a Softball Central Concessions;
RWC Inc. d/b/a Randy's House of Bar-B-Que; and
Crusen & Klein, Inc. d/b/a Crusens of Elmwood.

Member Holewinski seconded the motion. The Board approved the motion unanimously by roll call.

- **CII East Inc. d/b/a C II East –**
Based on staff's investigation, Member Gould moved that **the Board approve CII East Inc. d/b/a C II East for a Video Gaming Location License.** Member Vander Weele seconded the motion. Chairman Jaffe opposed the motion. Member Holewinski was in favor of the motion. The motion passed 3 to 1.
- **The Polish Pub, Inc d/b/a The Polish Pub –**
Based on staff's investigation, Member Holewinski moved that **the Board approve The Polish Pub, Inc. d/b/a The Polish Pub for a Video Gaming Location License.** Member Gould seconded the motion. Chairman Jaffe opposed the motion. Member Vander Weele was in favor of the motion. The motion passed 3 to 1.

PROPOSED COMPLAINTS AND DISCIPLINARY ACTIONS –

- **Abraham Gaming, LLC –**
Based on staff's investigation, Member Vander Weele moved that **the Board issue a disciplinary complaint against Abraham Gaming, LLC and that the Board revoke its Terminal Operator license, said action to take effect twenty-one (21) days from the date of service of the Complaint unless the Licensee files an Answer within that time period.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

ADMINISTRATIVE REQUESTS FOR HEARING –

- **Chaoz Sports Lounge, LLC –**
Based on staff's investigation, Member Vander Weel moved that **the request for hearing of Chaoz Sports Lounge, LLC be denied based on the fact that it has not**

offered facts to establish a prima facie case. Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

At 11:05 A.M. Member Holewisnki motioned to adjourn and Member Vander Weele seconded the motion. All Members voted in favor of adjournment.

Respectfully submitted,

Mary C. Boruta
Secretary to the Administrator